(b) if so, what steps Government propose to take during the ensuing Budget Session to ensure that Indian economy usher steady growth in which Government and the industry both joined hands to achieve this target?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) As per the advance estimates of National Income released by the Central Statistical Organisation (CSO) on February 7, 2007, the per capita net national product (per capita income) measured at factor cost at current prices for 2006-07 is estimated at Rs. 29,069 and has grown at 13 percent over the quick estimates released by CSO for 2005-06. No such estimates have been made in respect of per capita income for 2021. However, the Approach Paper to the Eleventh Five Year Plan entitled "Towards Faster and More Inclusive Growth" states that "With population growing at 1.5% per year, 9% growth in GDP would double the real per capita income in 10 years".

The recent signs of industrial resurgence are very encouraging for rapid and inclusive growth. Government not only helps industry through various fiscal measures but also encourages public-private partnership with industry in the field of infrastructure.

Fake currency notes in ATMs

185. SHRI KARNENDU BHATTACHARJEE:
SHRI S. S. AHLUWALIA:

Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India had to issue on January 8, 2007 formal caution to the Banks' Managements against dispensing of fake currency notes through their ATMs and across their exchange counters;

(b) if so, the details thereof;

(c) the details of complaints received, if any, from bank customers having received counterfeit Indian currency through ATM machines indicating identity of the banks, locations of the concerned ATMs and volumes of currency etc.

(d) the action taken on the complaints; and

(e) the steps taken, if any, for protection of customers who fell victim to fake currency disbursal by ATMs and/or exchange counters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Reserve Bank of India (RBI) has reported that they have not issued any formal caution to the banks' managements against dispensing of Fake Currency Notes through their ATMs and across their exchange counters on January 8, 2007. However, based on an anonymous letter from a customer, citing an incident of receipt of counterfeit bank note through a bank's ATM, the bank had issued a circular to all its regional offices on December 12, 2006 advising them to ensure that the banks in their jurisdiction did not dispense counterfeit bank notes through their ATMs/exchange counters. They were also advised to issue a press release "in the local newspapers" (including vernacular language of the state) to create public awareness on the action taken. A Press Release was given by the Press Relation Division of RBI on January 8, 2007 in Mumbai in this regard.

(c) RBI has reported that they had received two complaints from the members of Public/Bank customers during the year 2005 and early 2006 regarding dispensing of fake currency notes. The details are as under:

(i) On November 11, 2005, a customer reportedly received twenty counterfeit bank notes of Rs. 500 denomination from ICICI Bank, Karunagapally Branch through ATM replenished by Kollam Branch of ICICI. An FIR had been lodged by the complainant.

(ii) A customer at Kolkata was reported to have detected a counterfeit bank note in denomination of Rs. 100 from ATM of HDFC Bank, Kolkata.

(d) Instructions were issued to banks by RBI advising them to put in place adequate safeguards to contain this menace of counterfeit bank notes. RBI also took up the matter with the Chairmen/CEOs of both the banks. Both HDFC Bank and ICICI Bank have advised RBI of the steps taken by them to tighten the procedure/improve the ATM system.

(e) Concerns arising out of detection of counterfeit bank notes are being addressed by the RBI on a continuous basis. Some of the broad measures undertaken are given in the statement.

Statement

Broad measures undertaken by RBI for the protection of victims of Fake Currency disbursal by ATMs

(i) New/additional security features have been incorporated in the bank notes in the denomination of Rs. 10, Rs. 20, Rs. 50, Rs. 100, Rs. 500 and Rs. 1000. The new security features pertain to security threat more prominent intaglio printing, anti photo-copying features, latent image, micro lettering improved water mark and electrolyte mark and colour shift features (through optically variable ink).

(ii) A separate division exists in the Bank's Central Office at Mumbai for collection and analysis of data on counterfeit bank notes detected in the banking sector with a view to take appropriate steps to combat the menace of counterfeit bank notes. All commercial banks have also formed Forged Note Vigilance Cells in this regard as per RBI's instructions.

(iii) The Banks have been instructed to lodge FIR with Police Authorities in respect of counterfeit bank notes detected at their counters. The Regional Offices of RBI also lodge FIR on detection of counterfeit bank notes in the remittances received from the banks.

(iv) The Reserve Bank has been coordinating with the investigating agencies like the Intelligence Bureau and the Central Bureau of Investigation as well as State Police Authorities for concerted action against the counterfeiters.

(v) The Reserve Bank has also been regularly conducting training programme for detection of counterfeit bank notes for employees/ officers of banks and other organizations handling large quantities of cash on a daily basis.

(vi) The Reserve Bank has also advised other banks to improve their mechanism for not only detection of counterfeit bank notes but also for gathering intelligence and pass over such information to the Reserve Bank, Central Office.

(vii) The Government of India has designated CBI as the nodal agency to coordinate and monitor investigations of cases involving

detection of counterfeit bank notes. The CBI has since nominated nodal officers for each State.

(viii) All banks have been advised to install Note Sorting Machines to detect the counterfeit bank notes at the entry level so as to stop their further circulation. Most of Currency Chest branches (96%) have since been equipped with these machines. RBI is pursuing the matter with banks to achieve 100% target.

Charging of fees by SBI for counting notes

†186. SHRI MOTILAL VORA:
SHRI SATYAVRAT CHATURVEDI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India has decided to charge Rupees 100/- as fee for counting the currency notes from customers coming to deposit more than one thousand notes;

(b) whether other banks also charge such type of fee;

(c) if not, the reasons therefor;

(d) whether traders' organizations have opposed the said move of Government; and

(e) whether the impact of such kind of fee on the banking business has been reviewed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) State Bank of India (SBI) has reported that in view of representations made by trade organizations, levy of service charges on quantum of cash deposits was revised *w.e.f.* December 22nd 2006, and now the charges are levied based on deposit of pieces (irrespective of denominations) rather than based on the amount deposited. Service Charges of Rs. 100/- per bundle of 1000 pieces has been prescribed by the bank for deposit of notes in Current and Cash Credit Accounts for all segments other than Personal Segment customers. As per SBI, other banks are also charging cash handling charges at non-home branches.

†Original notice of the question was received in Hindi.